

VZCZCXRO6732  
OO RUEHDT RUEHPB  
DE RUEHUL #0043/01 0080929  
ZNY CCCCC ZZH  
O 080929Z JAN 08  
FM AMEMBASSY SEOUL  
TO RUEHC/SECSTATE WASHDC IMMEDIATE 7977  
INFO RUCNARF/ASEAN REGIONAL FORUM COLLECTIVE PRIORITY  
RUEHBJ/AMEMBASSY BEIJING PRIORITY 3681  
RUEHBY/AMEMBASSY CANBERRA PRIORITY 8597  
RUEHBUL/AMEMBASSY KABUL PRIORITY 0108  
RUEHMO/AMEMBASSY MOSCOW PRIORITY 8426  
RUEHKO/AMEMBASSY TOKYO PRIORITY 3818  
RUEHNO/USMISSION USNATO BRUSSELS BE PRIORITY  
RUEHIN/AIT TAIPEI PRIORITY 2389  
RHMFISS/CDR USCENTCOM MACDILL AFB FL PRIORITY  
RHHMUNA/CDR USPACOM HONOLULU HI PRIORITY  
RHMFISS/CHJUSMAGK SEOUL KOR PRIORITY  
RUEAIIA/CIA WASHINGTON DC PRIORITY  
RUEKJCS/CJCS WASHINGTON DC PRIORITY  
RHMFISS/COMUSFK SEOUL KOR PRIORITY  
RHMFISS/COMUSKOREA J5 SEOUL KOR PRIORITY  
RUEKDIA/DIA WASHINGTON DC PRIORITY  
RUEKJCS/JOINT STAFF WASHINGTON DC//J-5// PRIORITY  
RHEHNSC/NSC WASHINGTON DC PRIORITY  
RUEKJCS/SECDEF WASHINGTON DC//OSD/ISA/EAP// PRIORITY  
RUEKJCS/SECDEF WASHINGTON DC PRIORITY  
RUEHBS/USEU BRUSSELS PRIORITY

C O N F I D E N T I A L SECTION 01 OF 05 SEOUL 000043

SIPDIS

SIPDIS

FROM AMBASSADOR VERSHBOW FOR THE SECRETARY, D, P, AND EAP  
A/S HILL; DOD FOR APSA ASSISTANT SECRETARY JIM SHINN; NSC  
FOR DENNIS WILDER

E.O. 12958: DECL: 01/07/2018  
TAGS: [PREL](#) [PGOV](#) [PINS](#) [MARR](#) [MASS](#) [KN](#) [KS](#)  
SUBJECT: 2020 VISION OF A MORE VIABLE AND STRATEGIC  
U.S.-ROK ALLIANCE. PART I: ADAPTING TO CHANGE

Classified By: AMB. ALEXANDER VERSHBOW. REASONS 1.4 (b/d).

¶1. (C) SUMMARY: For more than half a century, the U.S.-ROK Alliance has served the interests of both our countries, while significantly contributing to the overall security of Northeast Asia. In recent years, however, the Alliance has experienced significant change. South Korea has changed, the South's policy toward the North has changed, and major countries surrounding the Peninsula are undergoing significant transformation as well. The U.S. mission and footprint on the peninsula must continue to adapt to meet those changes. Early in this decade, our footprint in Korea became more widely viewed as in need of updating as the Korean public grew dissatisfied with the ROK's perceived junior status within the Alliance. U.S. leaders at the time correctly decided that the Alliance remained fundamentally important, but needed to evolve into a more modern, balanced partnership. They launched Future of the Alliance Talks with the South Koreans leading to agreements to update and transform U.S. Forces Korea. Implementation of those agreements has now begun through the Security Policy Initiative, but progress is too slow and uncertain. To enhance the domestic political viability of our presence and assure Alliance sustainability, the transformation of USFK must be carried out as quickly as possible; we should ask the Lee Myung-bak Administration to accelerate that process. Just as important, further adaptation of the Alliance's mission and footprint will better serve our vital interest in having a U.S. posture in the region with peninsular, regional and strategic roles. Part II of this message describes the choices we face on how best to upgrade the Alliance in the face of change and presents post's recommendation for evolution of the security relationship into a more useful and sustainable "Allied Strategic Partnership" with a global

mission. END SUMMARY

-----  
CHANGE  
-----

12. (C) For more than half a century, the security alliance between the United States of America and the Republic of Korea has served the national interests of both our countries, while significantly contributing to the overall peace and security of the Northeast Asian region. In more recent years, however, the Alliance has been, and continues to be, affected by significant changes occurring all around it.

-- South Korea has changed. During the past quarter century, the ROK has undergone political democratization, has become stronger militarily, and is justifiably proud of the "Korean Wave" (Hallyu) of pop culture that swept the region. These changes have been driven, above all, by South Korea's remarkable economic development and the Korean people's own ambition and drive for excellence.

-- The South's policy toward the North has changed. With the election of Kim Dae-jung 10 years ago, the ROK significantly altered its approach toward North Korea and for the past decade has pursued an engagement strategy that did not necessarily conflict with, but did present serious challenges to our own policy. That gap narrowed over the past year and promises to be less contentious under the Lee Myung-bak Administration, but a fundamental change in the South's threat perception of the North has taken root throughout

SEOUL 00000043 002 OF 005

Korean society and is unlikely to be reversed.

-- The neighborhood is changing as the countries around the Korean Peninsula have changed, or are currently undergoing significant transformation. Examples include the rise of China, both militarily and economically; the growing importance of Asian intra-regional trade and investment; increasingly active debate within Japan about its future security; and the recent resurgence of a wealthier, more assertive Russia.

-----  
U.S. MISSION/FOOTPRINT SHOULD CHANGE ACCORDINGLY  
-----

13. (C) By the start of the new millennium, the Alliance was headed for some difficulty in part because USFK's mission and footprint were seen as remaining rooted in the Cold War era, rather than sufficiently adapting to the changes taking place. Symbolic of that is the fact that the land on which USFK is headquartered was once at the edge of the city's central core, but now sits in the middle of a modern urban metropolis that has grown up all around it. It is simply no longer appropriate for U.S. forces to be stationed in the middle of the South Korean capital, and on the site of the former Japanese colonial garrison to boot. Beyond the public's desire to "regain" this valuable real estate, new-found pride in their own achievements led to dissatisfaction with the junior status many Koreans felt they had within the Alliance, in terms of both command structure and the distribution of military responsibilities in time of conflict.

14. (C) Meanwhile, new security challenges that arose with the attacks of 9/11, the proliferation of nuclear weapons states, and the rise of China as a significant regional power required transformation of our global military posture. That transformation, which was undertaken through the U.S. Global Posture Review (GPR), included the decision that it was no longer wise or necessary to deploy U.S. troops along the Korean DMZ as a "tripwire." The South Korean military had become strong enough to deter North Korea on its own, as long

as the U.S. commitment to defend and reinforce the ROK in time of war remained credible. The latter has been assured by enhancements we have made to our regional military capabilities that offset the planned troop reductions and redeployments. Most of the other changes embodied in the GPR, and the other challenges mentioned, are taking place far from the Korean Peninsula, but their impacts are being felt here on issues ranging from force redeployments to requests that our Korean ally contribute forces in Iraq and Afghanistan.

15. (C) Despite all the aforementioned change, it wasn't until the unfortunate Highway 56 accident of 2002 that pressure to update our military footprint in Korea reached the point where serious questions were raised in Seoul about the domestic political viability of the Alliance within Korean society. In reaction to the anti-American displays that followed the acquittal of the USFK soldiers involved in that accident, and faced with the more pressing national security concerns of a post-9/11 world, Washington also began to question whether the Alliance, as configured, remained essentially important to U.S. regional and strategic interests. Prior to the Highway 56 accident, our government had concluded that the Alliance remained important but needed

SEOUL 00000043 003 OF 005

to evolve. Alliance leaders had therefore already begun Future of the Alliance (FOTA) Talks with their ROK counterparts. The FOTA process led to agreements to update and transform the U.S. footprint in Korea via the Yongsan Relocation and Land Partnership plans (YRP/LPP). Those agreements have since moved to the implementation phase and are currently being managed through FOTA's successor, the Security Policy Initiative (SPI), which is meeting at a steady tempo of approximately once every 2-3 months.

16. (C) To remain politically viable, the Alliance needed to change and U.S. policy toward North Korea also needed to change. Our leaders have been doing precisely that and their actions have greatly improved the overall health of the Alliance, as evidenced by the fact that the U.S. military presence in Korea, which was so heavily criticized and politicized in the 2002 ROK Presidential election, generated virtually zero negative campaign rhetoric in the just-concluded 2007 campaign. On the contrary, although negotiations with the ROKG continued to be contentious, during 2007 we did reach agreement with them on the transition of wartime operational control (OPCON) by 2012, reached a 2-year burden-sharing agreement that increased the ROK contribution, successfully concluded the return of 23 former USFK camps to Korean use, and celebrated the groundbreaking for the new U.S. military headquarters at Pyeongtaek, which the ROK is spending billions to complete. The public now views the Alliance as evolving into a more balanced partnership, and polling data shows that support for maintaining the Alliance is at around 70 percent.

-----  
BUT PROGRESS TOO SLOW, UNCERTAIN  
-----

17. (C) It would, however, be short-sighted to rest on our laurels, for it is clear that in order to maintain needed domestic political viability, implementation of the OPCON, YRP and LPP agreements must be truly locked-in through greater action in 2008 and beyond. Significant progress was made in 2007, but implementation is still progressing far too slowly. We must ask the Lee Administration to accelerate the process, something they are capable of doing if the U.S. Government makes it a high enough priority and the ROK Government applies the necessary political will. YRP was agreed to in 2004, but the completion date has already slipped from 2008 to beyond 2012. The bill for Alliance transformation is also likely to be far greater than the USD \$5 billion the ROK has publicly indicated that it will pay. Hard numbers aren't yet available, but indications are that

the total cost could be three times that amount. Furthermore, Congressional support for the much smaller U.S. portion of the cost of implementing the LPP has failed to materialize despite a combined personal appeal from myself and General Bell, the 4-star commander of USFK. This lack of prioritization in both our capitals is a serious problem that threatens to further slow and perhaps even scuttle this badly needed transformation of our footprint in Korea.

18. (C) Two other security challenges, while not directly related to the U.S.-ROK Alliance, are also causing uncertainty about its future. The first is the War on Terror, which necessarily takes precedence of attention when it comes to funding, and which has pulled U.S. diplomatic and military personnel from Korea to provide needed support in Iraq and Afghanistan. A second key generator of uncertainty

SEOUL 00000043 004 OF 005

is found in the North Korea issue. The greater the amount of North-South and Six-Party progress, the greater the talk of replacing the Armistice and establishing a Northeast Asian Peace and Security Mechanism (NEAPSM). All too often USFK has been portrayed in the internal Korean debate on that issue as an obstacle to peace, or as something to be traded away in the pursuit of Korean unification. More level-headed Koreans understand that that should not, and certainly need not, be the case. They advocate for a continued U.S. military presence in Korea even after peace is declared and unification achieved. When such developments do come to pass, however, they could well result in calls for a significant alteration of the U.S. military posture in Korea.

While there is little chance of that at present, we should take this opportunity to better reposition ourselves to respond more effectively to such arguments, lest we run the risk that the Alliance will fall out of line with developments on the peninsula.

19. (C) Providing more effective justification for the continued presence of U.S. forces on the peninsula begins with raising awareness and promoting a deeper understanding of the fact that the defense of South Korea and continued deterrence of aggression in the region will still be required even after a peace regime is put in place. Nearly all security experts across the political spectrum are not confident that the DPRK will fully give up its nuclear capability. Even those who are acknowledge that any negotiation resulting in true voluntary denuclearization will at best be a long and drawn-out affair. Others point out that a conventionally-armed DPRK, with its million-man army, robust special operations capability, and large number of missiles and mortar tubes in range of Seoul, still poses a significant threat requiring a credible deterrent. They caution that even if the Armistice were replaced by a peace treaty tomorrow, the DPRK would be unlikely to pound all its weapons into plowshares. While they do not believe the North will launch a premeditated attack on the South, they do not discount the possibility that belligerence or an accidental clash of forces might still someday spark an unintended crisis that could quickly escalate. The scenario that most worries Korean security experts, however, is a breakdown of internal control within North Korea's authoritarian regime, prompted perhaps by the death of Kim Jong-il. Precipitous deterioration of the North's economy is also a significant concern.

10. (C) The ROK military has gotten much stronger and is undergoing further significant modernization through its Defense Reform 2020 plan. But even if the Lee Administration and the National Assembly choose to fund the 9 percent annual increases in ROK defense spending called for in that plan, the South Korean military will still be smaller than China and Japan's. A continued U.S.-ROK security relationship remains in the clear interest of both countries for many years to come under any conceivable outcome of the North Korean problem. But if it is in our strategic interest for the Alliance to remain in place, and at the same time

politically important to take appropriate steps to adapt it to fit better the changes in and around South Korea, exactly what direction should the Alliance take?

¶11. (C) In part II of our "2020 Vision of a More Viable Strategic U.S.-ROK Alliance," we lay out the choices on how to upgrade the Alliance in the face of change and offer our recommendation for evolution of the U.S.-ROK security

SEOUL 00000043 005 OF 005

relationship into a more useful and sustainable "Allied Strategic Partnership," with a more well-defined global mission alongside its traditional role on the Korean Peninsula. We also offer suggestions for deliverables for the first summit with the new ROK President.  
VERSHBOW